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TO RUEHC/SECSTATE WASHDC IMMEDIATE 7156
INFO RUEHBO/AMEMBASSY BOGOTA IMMEDIATE 6701
RUEHPE/AMEMBASSY LIMA IMMEDIATE 1703
RUEHLP/AMEMBASSY LA PAZ JUN 0620
RUEHBR/AMEMBASSY BRASILIA IMMEDIATE 3756
RUEHCV/AMEMBASSY CARACAS IMMEDIATE 2577
RUEHZP/AMEMBASSY PANAMA IMMEDIATE 0704
RUEHGL/AMCONSUL GUAYAQUIL IMMEDIATE 2403
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TAGS: [PREL](#) [MARR](#) [MASS](#) [MOPS](#) [SNAR](#) [PTER](#) [EC](#)
SUBJECT: CORREA AND GARCIA TALK BORDER DEVELOPMENT; DENY
MARITIME DISPUTE

Classified By: Poloff Jarahn Hillsman, Reasons 1.4 (b&d)

¶1. (U) Summary: Ecuadorian President Rafael Correa and Peruvian President Alan Garcia met on June 1 in Tumbes, Peru for the presidents' first binational meeting on border issues. Correa stressed the need for continued investment by Ecuador, Peru, and the international community in the border region and pushed for the extension of the binational development plan to 2019. Both presidents publicly downplayed reports of tensions over maritime limits, and proclaimed relations to be healthy and productive. End Summary.

Correa and Garcia Establish Binational Cabinet

¶2. (U) Ecuadorian President Rafael Correa and Peruvian President Alan Garcia inaugurated the first Binational Cabinet to address cross-border development and security issues on June 1 in Tumbes, Peru, some 32 kilometers from the border. Correa reportedly traveled to Peru with 14 of his cabinet ministers, which included Foreign Minister Maria Espinosa and Minister Coordinator for Internal and External Security Fernando Bustamante. He called for the extension of the 1998 Binational Plan for Integration to 2019, ten years beyond the original expiration date set in 1999 when the Plan was launched, and stressed the need for the plan to fulfill the expectations of border residents. The MFA confirmed that the GOE and GOP agreed to extend the plan until 2014, five years less than what Correa had hoped.

¶3. (SBU) Correa has publicly questioned the effectiveness of the Integration Plan. He has expressed regret for what he believes to be a failure by the international community to meet its obligations under the 1998 peace accords to help Ecuador and Peru meet the plan's \$3 billion price tag. (Note: Ecuador and Peru were to each receive \$1.5 billion to implement the Plan, with \$500 million expected from international lenders and bilateral donors and \$1 billion in private sector investment. To date, institutional disbursements have totaled approximately \$200 million. The U.S. through USAID has invested 19.3 of the \$21.5 million it pledged to Ecuador, and \$18.3 of the 20.5 million promised to Peru.)

Maritime Boundary Still Hot

¶4. (U) Presidents Garcia and Correa used the June 1 meeting to publicly dispel rumors of growing tensions over maritime limits between the two Andean neighbors. Correa told the

press that the GOE is fully transparent in its relationship with Peru, and that the two countries are experiencing the best relationship in their history. During his June 2 weekly radio address Correa said "we have a common past (with Peru), time to look for a common future." Garcia emphatically denied reports that Peru has a maritime limit dispute with Ecuador, and declared that no issue currently divides the two governments. However, super-minister for External and Internal Security Francisco Bustamante told the press on June 3 that while the GOE was comforted by GOP position, Garcia did admit that unspecified sectors of Peru are pushing to redefine the maritime limit.

¶5. (C) The Correa-Garcia meeting comes in the wake of the USG decision to move the 2007 UNITAS exercise from Ecuador due to an inability to reach consensus on exercise terms, most notably owing to disagreement between Peru and Ecuador over their maritime boundaries. Both governments have since publicly pronounced that to be a non-issue, but some in the GOE have quietly admitted to Embassy officials that the matter remains unresolved. (Note: Correa has recently called upon Congress to ratify the UN Convention on the Law of the Sea, which could help to settle the issue, although it is not clear what potentially problematic side notes and terms the GOE might seek to append to its ratification.)

Areas of Mutual Interest

¶6. (U) Correa and Garcia reportedly agreed to establish a bilateral authority to manage the Zarumilla River Cuenca, and form an alliance to effectively administrate a transnational ecological reserve. Garcia reportedly pledged \$3 million for demining efforts on the Peruvian side of the border, and GOE Min Def Escudero publicly committed to GOE cooperation on the

demining issue. Both presidents agreed on the need to deepen South American integration.

Comment

¶7. (C) The GOE appears to be satisfied with Garcia's declaration that the GOP will not seek to redefine its maritime limit with Ecuador, codified in bilateral agreements in the 1950's. This has helped to quiet this issue for the moment, permitting the two presidents to publicly emphasize the positive in the bilateral relationship, and senior MFA sources have told us that the two presidents indeed established a good personal rapport, which will be helpful should future bilateral issues arise.

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